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November 15, 2007

RECORDATION NO. 27236 FILED

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423-0001

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SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease and Security Agreement dated as of November 8, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor:	Alliance Leasing, Inc. Tower II, 17th Floor 120 Madison Street Syracuse, New York 13202
Lessee:	Western New York & Pennsylvania Railroad, LLC 69 South Dow Street Falconer, New York 14733

Mr. Vernon A. Williams
November 15, 2007
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A description of the railroad equipment covered by the enclosed document is:

2 - 1999 Peterbilt Grapple Trucks with magnets & installed hi-rail gear:
Serial # 3BPNLD9XIXF485197 and # 3BPNLK9X5XF485199.

A short summary of the document to appear in the index is:

Memorandum of Lease and Security Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward M. Luria". The signature is fluid and cursive, with the first name "Edward" and last name "Luria" being the most prominent parts.

Edward M. Luria

EML/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AND SECURITY AGREEMENT

1. Pursuant to Lease Schedule No. 2, dated as of November 8, 2007, to that certain Master Lease Agreement No. 56, dated as of May 8, 2006, each between "Alliance Leasing, Inc." as Lessor, and "Western New York & Pennsylvania Railroad, LLC", as Lessee (such Lease Schedule as it incorporates the terms of the Master Lease Agreement is hereinafter referred to as the "Lease"), Lessor has leased to Lessee the railroad cars, locomotives, or other rolling stock, or accessories used on such railroad cars, locomotives, or other rolling stock (any including superstructures and racks) identified on Exhibit A attached hereto and made part hereof (the "Rolling Stock") under a lease intended as security pursuant to which Lessee grants to Lessor a security interest in all of the Rolling Stock to secure Lessee's obligations to Lessor.

2. The addressees of the parties are as follows:

Lessor: Alliance Leasing, Inc.
Tower II, 17th Floor
120 Madison Street
Syracuse, NY 13202

Lessee: Western New York & Pennsylvania Railroad, LLC
69 South Dow Street
Falconer, NY 14733

3. The terms and provisions of the Lease, including the commencement date and termination date, are more particularly set forth in the Lease.

4. This Memorandum of Lease and Security Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same document, which may be evidenced by any such signed counterpart.

IN WITNESS WHEREOF, the parties hereto, have caused this instrument to be signed by their respective corporate officers as of the date and year first above written.

"Alliance Leasing, Inc."

By: 

Name: Jonna Dennen-Miner

Title: Vice President Lease Administration

Western New York & Pennsylvania Railroad, LLC

By: [Signature]

Name: William D. Burt

Title: President and COO

State of New York

County of LIVINGSTON

On this 14th day of November, 2007, before me, Linda M. Fox, a Notary Public in and for the State of New York, personally appeared William D. Burt, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

[Signature]
NOTARY PUBLIC

My commission expires: 3/10/2010

LINDA M. FOX
No. 01F05000242
Qualified in Livingston County
My Commission Expires 3/10/2010

State of NEW YORK

County of CORTLAND

On this 15th day of November, 2007, before me, Carol Simon, a Notary Public in and for the State of NEW YORK, personally appeared Jenna Denver-Miner, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

[Signature]
NOTARY PUBLIC

My commission expires:

CAROL SIMON
Notary Public, State Of New York
No. 01S14856518
Qualified in Cortland County
Commission Expires April 14, 2010

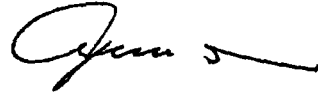
EXHIBIT A
TO MEMORANDUM OF LEASE
AND SECURITY AGREEMENT

QTY	DESCRIPTON	SERIAL #	VENDOR
1	1999 Peterbilt Grapple Truck w/ Magnet & new set of (installed) hi-rail gear	3BPNLK9X5XF485199	R.J. Corman Railroad Construction Co., LLC
1	1999 Peterbilt Grapple Truck w/ Magnet & new set of (installed) hi-rail gear	3BPNLD9X1XF485197	R.J. Corman Railroad Construction Co., LLC

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 11/15/07



Robert W. Alvord